



SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

AMENDMENT NO. 1 TO
CURRENT REPORT ON FORM 8-K DATED JANUARY 21, 1997
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): JANUARY 21, 1997

Rock-Tenn Company

(Exact name of registrant as specified in its charter)

Georgia	0-23340	62-0342590
(State of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
504 Thrasher Street Norcross, Georgia		30071
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (770) 448-2193

(Former name or former address, if changed since last report)

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) Financial Statements of Business Acquired.

The following audited financial statements and notes thereto of Waldorf Corporation, together with a manually signed independent auditors' report thereon, are included in Exhibit 99.2:

- (i) Independent Auditors' Report;
- (ii) Balance Sheets as of June 30, 1996 and 1995;
- (iii) Statements of Income for the years ended June 30, 1996, 1995 and 1994; (iv) Statements of Stockholders' Equity (Deficit) for the years ended June 30, 1996, 1995 and 1994;
- (v) Statements of Cash Flows for the years ended June 30, 1996, 1995 and 1994; and
- (vi) Notes to Financial Statements.

The following unaudited financial statements and notes thereto of Waldorf Corporation are also included in Exhibit 99.2:

- (i) Balance Sheet as of September 30, 1996;
- (ii) Statements of Income for the three months ended September 30, 1996 and 1995;
- (iii) Statement of Stockholders' Equity (Deficit) for the three months ended September 30, 1996;
- (iv) Statements of Cash flows for the three months ended September 30, 1996 and 1995; and
- (v) Notes to Financial Statements.

(b) Pro Forma Financial Information.

The unaudited Pro Forma Combined Consolidated Financial Statements of Rock-Tenn Company for the year ended September 30, 1996 and as of and for the three months ended December 31, 1996, and the notes thereto, are included in Exhibit 99.3.

(c) Exhibits.

- 2.1* Stock Purchase Agreement by and among Rock-Tenn Company and the Shareholders of Wabash Corporation dated January 21, 1997. The Exhibits and Schedules which are referenced in the table of contents and elsewhere in the Stock Purchase Agreement are hereby incorporated by reference. Such Exhibits and Schedules have been omitted for purposes of this filing, but will be furnished to the Commission supplementally upon request.
- 4.1* Credit Agreement dated as of January 21, 1997 among Rock-Tenn Company, the Lenders named therein and SunTrust Bank, Atlanta, as Agent.
- 23.1 Consent of Price Waterhouse LLP.
- 99.1* Text of Press Release of Rock-Tenn Company, dated December 20, 1996.
- 99.2 Financial Statements of Waldorf Corporation, as described in Item 7(a) of this Form 8-K.

99.3* Unaudited Pro Forma Combined Consolidated Financial
Statements of Rock-Tenn Company, as described in Item
7(b) of this Form 8-K.

*Previously filed.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 12, 1997

ROCK-TENN COMPANY

By: /s/ David C. Nicholson

*David C. Nicholson
Senior Vice President, Chief
Financial Officer, Secretary*

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EXHIBIT INDEX

Exhibit No. ---	Exhibit -----	Seque Numbe -----
2.1*	Stock Purchase Agreement by and among Rock-Tenn Company and the Shareholders of Wabash Corporation dated January 21, 1997	
4.1*	Credit Agreement dated as of January 21, 1997 among Rock-Tenn Company, the Lenders named therein and SunTrust Bank, Atlanta, as Agent	
23.1	Consent of Price Waterhouse LLP	
99.1*	Text of Press Release of Rock-Tenn Company, dated December 20, 1996 (Incorporated by reference to the Company's Current Report on Form 8-K dated December 20, 1996)	
99.2	Financial Statements of Waldorf Corporation	
99.3*	Unaudited Pro Forma Combined Consolidated Financial Statements of Rock-Tenn Company	

*Previously filed.

EXHIBIT 23.1

We hereby consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-83304) pertaining to the Rock-Tenn Company 1993 Employee Stock Option Plan, the Rock-Tenn Company 1993 Employee Stock Purchase Plan, the Rock-Tenn Company Incentive Stock Option Plan, the Rock-Tenn Company 1989 Stock Option Plan, and the Rock-Tenn Company 1987 Stock Option Plan, and in the Registration Statement (Form S-3 No. 33-93934) of Rock-Tenn Company and in the related Prospectus pertaining to debt securities, of our report dated August 9, 1996, except as to Note 15 which is as of January 21, 1997, with respect to the consolidated financial statements of Waldorf Corporation included in this Current Report on Form 8-K/A dated as of January 21, 1997.

/s/ Price Waterhouse LLP

*Price Waterhouse LLP
Minneapolis, Minnesota
February 12, 1997*

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EXHIBIT 99.2**REPORT OF INDEPENDENT ACCOUNTANTS**

August 9, 1996, except as to
Note 15 which is as of
January 21, 1997

To the Board of Directors and Stockholder of Waldorf Corporation

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, stockholder's equity (deficit) and of cash flows present fairly, in all material respects, the financial position of Waldorf Corporation (a wholly-owned subsidiary of Wabash Corporation) and its subsidiary at June 30, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 1996 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As described in Note 15, on January 21, 1997, Rock-Tenn Company purchased all of the issued and outstanding shares of Wabash Corporation, the Company's parent.

Price Waterhouse LLP
Minneapolis, Minnesota

(See accompanying notes to the consolidated financial statements)

WALDORF CORPORATION
CONSOLIDATED BALANCE SHEET
(dollars in thousands)

	September 30, 1996 ----- (Unaudited)	June 30, 1996 -----	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,185	\$ 1,617	\$
Accounts receivable, less allowance for doubtful accounts of \$442, \$453 and \$530, respectively	25,848	25,244	
Inventories	22,736	24,759	
Prepaid items and other assets	4,365	4,543	
Deferred income taxes	4,236	4,186	
Prepaid income taxes	79		
Total current assets	61,449	60,349	
Property, plant and equipment:			
Land and buildings	31,363	31,756	
Machinery and equipment	184,213	182,262	
	215,576	214,018	
Less - accumulated depreciation	(84,065)	(80,736)	
	131,511	133,282	
Other assets	2,693	3,267	
Total assets	\$ 195,653 =====	\$ 196,898 =====	\$
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)			

Current liabilities:			
Current portion of long-term debt	\$ 2,405	\$ 2,699	\$
Accounts payable	19,866	21,497	
Accrued liabilities	23,654	27,894	
Accrued income taxes	2,159	2,815	
Total current liabilities	48,084	54,905	
Long-term debt	146,500	143,081	
Deferred income taxes	21,279	20,829	
Total liabilities	215,863	218,815	
Commitments and contingencies (Note 11)			
Stockholder's equity (deficit):			
Common stock, \$1 par value; 12,500 shares authorized; 10,000, 10,000 and 10,892 shares issued, respectively; 10,000 outstanding	10	10	
Treasury stock			
Capital in excess of par			
Accumulated deficit	(19,426)	(21,124)	
Cumulative translation adjustment	(794)	(803)	
Total stockholder's equity (deficit)	(20,210) -----	(21,917) -----	

Total liabilities and stockholder's equity (deficit)	\$ 195,653	\$ 196,898	\$
	=====	=====	==

WALDORF CORPORATION
CONSOLIDATED STATEMENT OF INCOME
(dollars in thousands)

	Three Months Ended September 30,		For the Years End June 30,	
	1996	1995	1996	1995
	(Unaudited)	(Unaudited)		
Net sales	\$ 86,980	\$ 99,413	\$ 377,069	\$ 371,215
Costs and expenses:				
Cost of goods sold	75,672	81,979	309,685	309,361
Selling, general and administrative	5,605	7,105	24,565	27,366
Other (income) expenses, net	(472)	(320)	(3,267)	(633)
	80,805	88,764	330,983	336,094
Income before interest and taxes	6,175	10,649	46,086	35,121
Interest expense	3,063	4,713	14,215	13,122
Income before taxes	3,112	5,936	31,871	21,999
Provision for income taxes	1,414	2,675	14,499	9,853
Net income	\$ 1,698	\$ 3,261	\$ 17,372	\$ 12,146

WALDORF CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(dollars in thousands)

	Three Months Ended September 30,		For the Year June 30,	
	1996	1995	1996	1995
	(Unaudited)	(Unaudited)		
Cash flow from operating activities:				
Net income	\$ 1,698	\$ 3,261	\$ 17,372	\$ 12,140
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	3,509	2,967	15,379	13,210
Deferred income taxes	400	500	2,317	1,440
Net changes in assets and liabilities:				
Accounts receivable	(604)	(3,633)	5,094	(7,020)
Inventories	2,023	(1,931)	650	(2,560)
Prepaid items and other assets			513	490
Other assets	562	(1,338)	(389)	(1,510)
Accounts payable	(1,631)	(4,082)	(6,188)	4,040
Accrued liabilities	(4,240)	1,404	2,134	490
Accrued/prepaid income taxes	(657)	1,362	4,237	(2,530)
Net cash provided (used) by operating activities	1,060	(1,490)	41,119	18,160
Cash flows from investing activities:				
Capital expenditures	(1,617)	(8,849)	(23,256)	(27,200)
Proceeds from sale of equipment			53	290
Net cash used in investing activities	(1,617)	(8,849)	(23,203)	(26,910)
Cash flows from financing activities:				
Proceeds from borrowings	3,478	166,543	166,543	27,230
Payments on long-term debt	(353)	(156,369)	(184,456)	(10,880)
Proceeds from issuance of common stock				
Dividend to parent company				
Redemption of common stock				(7,840)
Net cash provided by (used in) financing activities	3,125	10,174	(17,913)	8,500
Effect of exchange rate on cash balances			(14)	(10)
Net increase (decrease) in cash and cash equivalents	2,568	(165)	(11)	(290)
Cash and cash equivalents at beginning of year	1,617	1,628	1,628	1,880
Cash and cash equivalents at end of year	\$ 4,185	\$ 1,463	\$ 1,617	\$ 1,620
Supplemental disclosure of cash flow information:				
Cash paid for interest			\$ 10,651	\$ 12,890
Cash paid for income taxes			\$ 75,000	\$ 10,700

WALDORF CORPORATION**CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY (DEFICIT)**
(dollars in thousands)

	Common Stock	Treasury Stock	Capital in Excess of Par	Cumulative Accumulated Deficit	1
Balance at June 30, 1993	\$ 11	\$ (1,663)	\$ 10,702	\$ 11,639	-
Net income				20,446	
Dividend to parent company				(80,000)	
Issuance of 53 shares of common stock			536		
Repurchase of 181 shares of common stock		(1,785)			
Foreign currency translation adjustment					
Balance at June 30, 1994	11	(3,448)	11,238	(47,915)	
Net income				12,146	
Repurchase of 892 shares of common stock		(10,518)			
Foreign currency translation adjustment					
Balance at June 30, 1995	11	(13,966)	11,238	(35,769)	
Retirement of treasury stock	(1)	13,966	(11,238)	(2,727)	
Net income				17,372	
Foreign currency translation adjustment					
Balance at June 30, 1996	10			(21,124)	
Net income (unaudited)				1,698	
Foreign currency translation adjustment (unaudited)					
Balance at September 30, 1996 (unaudited)	\$ 10	\$	\$	\$ (19,426)	

WALDORF CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollar amounts in thousands, except as otherwise noted)

NOTE 1 - ORGANIZATION AND OPERATIONS

Waldorf Corporation, ("Waldorf" or the "Company"), a wholly-owned subsidiary of Wabash Corporation ("Wabash"), is a manufacturer of recycled coated paperboard, recycled corrugated medium, and folding cartons used in consumer packaging.

NOTE 2 - ACCOUNTING POLICIES

A. Principles of Consolidation - The consolidated financial statements include the accounts of Waldorf Corporation and its Canadian subsidiary, WALDORF INC. All intercompany accounts and transactions have been eliminated.

B. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

C. Revenue Recognition - Revenue is recognized when product is shipped to the customer.

D. Cash and Cash Equivalents - Cash and cash equivalents include investments with original maturities of less than 90 days.

E. Inventories - Inventories are valued at the lower of cost or market. Cost is determined by the last-in, first-out (LIFO) method for inventories held by U.S. operations and by the first-in, first-out (FIFO) method for inventories held by the Company's Canadian subsidiary. Substantially all inventories are purchased or manufactured subject to customer purchase orders.

F. Property, Plant, and Equipment - Property, plant and equipment are stated at cost and depreciated for financial reporting purposes over estimated useful lives using the straight-line method. Gains or losses on the disposition of assets are recorded in current income. Maintenance and repairs are charged to operations and improvements are capitalized.

G. Income Taxes - Deferred income taxes are provided using the liability method. Under this method, deferred tax assets and liabilities are measured using the tax rates expected to be in effect when the assets are realized or liabilities settled. Deferred income taxes arise primarily due to differences in the treatment of depreciation and certain accrued liabilities for financial statement and income tax purposes.

H. Pensions - Pension costs are determined on an actuarial basis. The Company's funding policy is to contribute annually the maximum amount that can be deducted for federal income tax purposes. Benefits are determined using a career-pay formula.

I. Treasury Stock - Treasury stock is recorded at cost. During fiscal 1996, the Company's Board of Directors authorized the retirement of all stock held in treasury.

J. Foreign Currency Translation - Foreign currency transactions and financial statements are translated

into U.S. dollars at current rates, except that revenues, costs and expenses are translated at average rates during the reporting period. Gains and losses resulting from foreign currency transactions are included in income currently, while those resulting from translation of financial statements are excluded from the statement of income and are credited or charged directly to a separate component of stockholder's equity.

K. Financial Instruments - Interest rate swaps and collars are used to hedge financial risk caused by fluctuating interest rates. The differential to be paid or received is accrued and included in interest expense.

L. Fair Value Disclosure of Financial Instruments - The carrying amounts of the cash, short-term trade receivables and payables approximate fair market value. Additionally, the fair value of the senior notes is determined using discounted cash flows based on the Company's estimated current interest rate for similar types of borrowings. The carrying values of other long-term debt approximate their fair value. The fair value of the interest rate swap and collar agreements is estimated based upon current settlement prices.

M. Unaudited Interim Financial Statements - The interim financial data as of and for the three months ended September 30, 1996 and 1995 is unaudited; however, in the opinion of management, the interim data includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the interim periods.

NOTE 3 - INVENTORIES

Inventories consist of the following:

	September 30,	June 30,	
	1996	1996	1995
	-----	-----	-----
	(Unaudited)		
Raw materials	\$ 5,548	\$ 5,724	\$ 10,446
Work-in-process	4,875	4,730	3,692
Finished goods	12,313	14,305	11,225
	-----	-----	-----
Total inventories	\$ 22,736	\$ 24,759	\$ 25,363
	=====	=====	=====

Inventories valued using the LIFO method comprised approximately 86% and 83% of consolidated inventories at June 30, 1996 and 1995, respectively. LIFO inventories are valued at less than current cost by \$12,055, \$11,805 and \$17,473 at September 30, 1996, June 30, 1996 and 1995, respectively.

NOTE 4 - ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	September 30,	June 30,	
	1996	1996	1995
	-----	-----	-----
	(Unaudited)		
Employee benefits	\$ 12,450	\$ 11,951	\$ 12,774
Insurance	2,228	3,493	3,089
Property taxes	1,289	1,336	2,302
Salaries and wages	2,504	2,166	2,506
Interest	2,064	4,187	623
Customer deposits		448	508
Other expenses	3,119	4,313	3,838
	-----	-----	-----
Total accrued liabilities	\$ 23,654	\$ 27,894	\$ 25,640
	=====	=====	=====

NOTE 5 - EMPLOYEE BENEFITS

The Company provides all qualified U.S. employees participation in the Waldorf Employees' Pension Plan. Pension expense under this plan for the years ended June 30, 1996, 1995 and 1994, was \$2,241, \$2,373 and \$2,416, respectively.

The components of net periodic pension cost under the U.S. plan are:

	June 30,	
	1996	1995
Service cost - benefits earned during the period	\$ 2,262	\$ 2,234
Interest cost on projected benefit obligation	2,251	1,890
Actual return on plan assets	(4,058)	(2,335)
Net amortization and deferral	1,786	584
	<u>\$ 2,241</u>	<u>\$ 2,373</u>

The following table sets forth the funded status of the U.S. plan:

	June 30,
	1996
Actuarial present value of accumulated benefit obligation:	
Vested benefits	\$ 24,398
Nonvested benefits	1,285
Total accumulated benefit obligation	<u>\$ 25,683</u>
Projected benefit obligation	\$ 30,547
Market value of plan assets	31,063
Overfunded pension obligation	<u>516</u>
Unrecognized net loss (gain)	(1,912)
Unrecognized prior service cost	21
Prepaid pension cost (pension liability)	<u>\$ (1,375)</u>

The weighted-average discount rate and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation under the U.S. plan were 7.5% and 4.5% for 1996, 7.5% and 4.0% for 1995, and 7.5% and 4.0% for 1994. The expected long-term rate of return on assets for the U.S. plan was 8.5%, 7.5% and 7.5% for 1996, 1995 and 1994, respectively.

The Company also offers all full-time U.S. employees with 1,000 hours of qualified service participation in the Capital Accumulation Plan. The Plan is a defined contribution employee retirement savings plan which provides a Company matching of employees' contributions. The Plan also includes a profit sharing feature which provides an additional Company contribution based on the Company's performance. The Company's contributions to the Plan for the years ended June 30, 1996, 1995 and 1994, were \$3,137, \$3,839 and \$3,166, respectively.

Canadian employees are offered similar benefits, except as otherwise dictated by existing collective bargaining agreements or Canadian legislation, under separate pension and Capital Accumulation plans. Pension expense under the Canadian plans was \$203, \$45 and \$165 during the years ended June 30,

1996, 1995 and 1994, respectively.

NOTE 6 - LONG-TERM DEBT

Long-term debt consists of the following:

	June 30,	
	1996	
	Carrying Amount	Fair Value
Senior notes	\$ 100,000	\$ 99,067
Term loan		\$
U.S revolving loan		
U.S. bankers' acceptances, net of unamortized interest of \$131 and \$26	38,869	38,869
Term loan on equipment	3,223	3,223
Canadian Loans		
Other debt	3,688	3,688
Total long-term debt	\$ 145,780	\$ 144,847

At June 30, 1995, the Company was party to a credit facility comprised of a Term Loan in the original amount of \$130,000 and a Revolving Loan not to exceed \$50,000. At June 30, 1995, the Company's Canadian subsidiary had a loan agreement with Toronto Dominion Bank comprised of a Canadian \$8,250 Term loan and a revolving Loan not to exceed Canadian \$10,000.

In July 1995, the Company refinanced the U.S. and Canadian loan facilities with 7.42% fixed rate \$100,000 Senior Unsecured Notes and a floating rate \$110,000 Unsecured Syndicated Revolving Loan Facility. The Senior notes mature on June 30, 2005 with annual repayments of \$14,286 beginning on June 30, 1999. The Revolving Loan Commitment expires on June 30, 2000. The Company has \$39,000 of domestic bankers' acceptances outstanding at June 30, 1996, which have a weighted average interest rate of 5.75%. The bankers' acceptances have been classified as long-term debt in accordance with the Company's intention and ability to refinance such obligations on a long-term basis. At June 30, 1996, the Company had outstanding letters of credit totaling \$5,756. A facility fee ranging from .2% to .375% is charged on the entire Revolving Loan facility based on quarterly leverage ratios. As a result of the refinancing, unamortized fees of \$1,523 related to the prior credit agreement were expensed in July 1995.

The Company has entered into several contracts to hedge against fluctuation in interest rates. The agreements, which expire on February 28, 2000 and 2001, vary from interest rate swaps, whereby the Company makes payments based on fixed rates of interest and receives payments based on floating interest rate indices, to interest rate collars, whereby exposure is protected within a range of rates. The fair value of the contracts, which have an aggregate notional amount of \$80,000, was approximately \$2,773 at June 30, 1996. This represents the estimated amount the Company would pay to terminate the agreements, taking into consideration the current interest rate and market conditions. The Company does not hold or issue financial instruments for trading purposes.

In December 1990, the Company entered into a \$9,704, seven-year note secured by certain capital equipment. The note bears interest at 9.7% and is payable in monthly principal installments of \$98 plus interest with a balloon payment of \$1,554 in December 1997.

Scheduled maturities of the Company's long-term debt for fiscal years ending June 30 are as follows:

1997	\$ 2,699
1998	3,209
1999	14,559
2000	53,430
2001	14,563
Thereafter	57,320

	\$ 145,780
	=====

NOTE 7 - LONG-TERM LEASES

The Company and its Canadian subsidiary lease equipment and a facility under long-term operating leases. Minimum annual lease commitments under the lease are as follows:

Year Ended June 30,	

1997	\$ 1,368
1998	1,368
1999	1,368
2000	1,368
2001	1,563
Thereafter	13,753

	\$ 20,788
	=====

Rent expense for the years ended June 30, 1996, 1995 and 1994 was \$1,285, \$1,111, and \$1,318, respectively.

NOTE 8 - INCOME TAXES

The Company is included in the consolidated federal and certain state income tax returns of Wabash and is party to a tax allocation agreement with Wabash which allocates taxes to the Company as if it filed a separate tax return.

The provision for income taxes is comprised of the following:

	For the Years Ended June 30,		
	-----	-----	-----
	1996	1995	1994
	----	----	----
Current:			
Federal	\$ 9,836	\$ 7,057	\$ 10,679
State	2,346	1,354	2,025
	-----	-----	-----
	12,182	8,411	12,704
Deferred:			
Federal	2,027	1,262	1,260
State	290	180	181
	-----	-----	-----
	\$ 14,499	\$ 9,853	\$ 14,145
	=====	=====	=====

The Company's effective tax rate differs from the federal statutory rate as follows:

	For the Years Ended June 30,		
	-----	-----	-----
	1996	1995	1994
	----	----	----
Federal statutory tax rate	35.0%	35.0%	35.0%
Increase in taxes resulting from:			
State taxes, net of federal benefit	4.5%	4.8%	4.6%
Canadian subsidiary net operating loss	4.9%	4.5%	
Other	1.1%	.5%	1.3%
	-----	-----	-----
	45.5%	44.8%	40.9%

=====

Domestic deferred tax assets and (liabilities) are comprised of the following at June 30:

	1996	1995
	----	----
Tax over book depreciation	\$ (20,511)	\$ (18,557)
Vacation accrual	2,026	1,883
Workers' compensation accrual	891	990
Other, net	951	1,358
	-----	-----
Net deferred tax liability	\$ (16,643)	\$ (14,326)
	=====	=====

The Company's Canadian subsidiary has a net operating loss available for carryforward as follows:

	Canadian \$s
Tax loss carryforwards through June 30, 1996	\$ 13,000
Temporary differences, primarily depreciation	(3,200)

Book loss carryforward at June 30, 1996	9,800
Less valuation reserve	(9,800)

Net asset recorded	\$ 0
	=====

If not utilized, \$400 of the carryforward will expire in 1998, \$2,600 in 1999, \$1,000 in 2000, \$4,500 in 2001, and \$4,500 in 2002.

The Internal Revenue Service has examined the 1989, 1990, and 1991 consolidated federal income tax returns of Wabash and issued a deficiency notice in March, 1993. Several issues have been settled with the IRS, but Wabash is currently petitioning one remaining issue in U. S. Tax Court. Management believes that resolution of this matter will not have a material adverse impact on the results of operations, cash flows or financial position of Wabash or the Company.

NOTE 9 - FOREIGN OPERATIONS

The Company owns a Canadian subsidiary, WALDORF INC, which is a manufacturer of folding cartons. WALDORF INC's assets and liabilities totaled \$14,040 and \$4,767, at June 30, 1996 and \$15,345 and \$11,930 at June 30, 1995. WALDORF INC's net sales were \$27,663, \$25,625 and \$31,004 during the years ended June 30, 1996, 1995 and 1994, respectively. WALDORF INC's net income (loss) for the years ended June 30, 1996, 1995 and 1994 was (\$4,446), (\$2,833) and \$109, respectively.

NOTE 10 - STOCKHOLDER'S EQUITY

During fiscal year 1995, the Company repurchased 892 shares of common stock held by management employees at a defined book value per share of \$11,829 (not in thousands).

NOTE 11 - COMMITMENTS AND CONTINGENCIES

In the normal course of its operations, the Company is party to a long-term contract for energy supply at its paper mill operations.

The Company is party to a contingent interest agreement which requires the Company, Wabash, or the

stockholders of Wabash, in the event of "disposition", as defined, of the Company, to pay a former creditor a percentage of the net proceeds received from such disposition (see Note 15).

NOTE 12 - STOCK APPRECIATION RIGHTS

During fiscal year 1995, the Company adopted a Stock Appreciation Rights (SAR) Plan to provide incentives to certain executives. SAR units are granted at the discretion of the Company's Board of Directors at reference share values generally at or above fair market value at the date of grant. Granted SAR units have varying vesting provisions and vested SAR units may be exercised at any time during the SAR holder's employment, but only after the fifth anniversary of the SAR grant date. An eligible employee may not exercise more than one third of their vested SAR units in any calendar year. Additionally, a portion of certain executives' bonuses are distributed in SARs which vest on the distribution date. Upon exercise, SAR holders are entitled to receive payment equal to the difference between the reference share value as of the exercise date and the reference share value as of the grant date. Additionally, in the event of a change in control of the Company, as defined, on or before December 31, 1999, certain SAR holders are entitled to an additional payment as determined by the Board of Directors (see Note 15). Compensation expense is recognized ratably over the SAR vesting periods for increases in the reference share value, as determined annually by an independent appraiser. During the years ended June 30, 1996 and 1995, the Company recorded approximately \$329 and \$215 of compensation expense related to the SAR Plan. At June 30, 1996, the reference share value was \$26 (not in thousands) and approximately 422,000 (not in thousands) purchased and granted SAR units were outstanding.

NOTE 13 - MAJOR CUSTOMERS

For the years ended June 30, 1996, 1995 and 1994, one customer represented 15%, 16% and 18%, respectively, of the Company's total net sales. A second customer represented 11%, 11% and 8%, respectively, of the Company's net sales during fiscal 1996, 1995 and 1994. No other customer represented more than 10% of net sales.

NOTE 14 - SEGMENT INFORMATION

The Company operates principally in two business segments. The converted products segment is comprised of facilities that produce folding cartons. The paperboard segment consists of facilities that manufacture 100% recycled paperboard and corrugated medium and that recover recycled fiber. Intersegment sales are accounted for at prices which approximate market prices.

Following is a tabulation of business segment information for each of the past three fiscal years:

	For the Years Ended June 30,		
	1996	1995	1994
Net sales (aggregate):			
Converted products	\$ 257,160	\$ 242,717	\$ 244,188
Paperboard	192,101	195,599	161,521
	449,261	438,316	405,709
Less net sales (intersegment):			
Converted products	(72,192)	(67,101)	(62,230)
Paperboard			
Net sales (unaffiliated customers)	\$ 377,069	\$ 371,215	\$ 343,479
Net sales (unaffiliated customers):			
Converted products	\$ 257,160	\$ 242,717	\$ 244,188

Paperboard

119,909	128,498	99,291
-----	-----	-----
\$ 377,069	\$ 371,215	\$ 343,479
=====	=====	=====

	For the Years Ended June 30,		
	1996	1995	1994
Operating income (expense):			
Converted products	\$ (2,846)	\$ 5,656	\$ 6,292
Paperboard	53,827	37,067	42,019
	50,981	42,723	48,311
Less: Corporate expense	(4,895)	(7,602)	(5,944)
Interest expense	(14,215)	(13,122)	(7,776)
Income before income taxes	\$ 31,871	\$ 21,999	\$ 34,591
Identifiable assets:			
Converted products	\$ 102,474	\$ 106,646	\$ 99,055
Paperboard	84,748	79,668	58,862
Corporate	9,676	9,901	8,681
Total	\$ 196,898	\$ 196,215	\$ 166,598
Capital expenditures:			
Converted products	\$ 10,306	\$ 5,043	\$ 5,062
Paperboard	11,894	21,179	5,929
Corporate	1,056	978	292
Total	\$ 23,256	\$ 27,200	\$ 11,283
Depreciation and amortization:			
Converted products	\$ 7,851	\$ 7,626	\$ 7,237
Paperboard	5,361	4,496	4,685
Corporate	2,167	1,096	2,358
Total	\$ 15,379	\$ 13,218	\$ 14,280

NOTE 15 - SUBSEQUENT EVENTS

On January 21, 1997, Rock-Tenn Company ("Rock-Tenn") purchased all of the outstanding common stock of Wabash, the Company's parent. The sale of Wabash's common stock effected a "change in control" as defined by the Company's SAR Plan and coincident with the closing of the stock sale the Company paid an aggregate of approximately \$7 million to certain SAR holders. Additionally, in settlement of the contingent interest agreement described in Note 11, the Company paid a former creditor \$25 million. The accompanying financial statements do not reflect any adjustments to reflect Rock-Tenn's cost basis in Wabash or the Company.

In December 1996, management announced its intentions to discontinue or dispose of the operations of WALDORF INC. Coincident with the stock sale, the stock of WALDORF INC. was sold to an entity in which certain Wabash shareholders hold a non-controlling interest. The Company incurred a pre-tax loss of approximately \$9 million related to the discontinuance of operations at and disposal of WALDORF INC.